

1 Aug 2025

## Petrovietnam Technical Services Corp (PVS)

### Full steam ahead

- 2Q25 Revenue grew by 32% yoy, and NPAT grew 53% yoy.
- SG&A upped 26% on provisions, offset by high financial gains.
- 3Q25F: growth rate to remain solid thanks to Block B – O Mon.

### Facts: M&C led revenue and profit growth

PVS's 2Q25 revenue continue to witness a solid growth of 33% yoy (+28% qoq) to VND7.38tn thanks to high construction workload for the Block B – O Mon and offshore wind farm (OWF) projects, which fulfilled 91% of our 2Q25 forecast. Thus, in 6M25, PVS recorded a total revenue of VND13.4tn, which fulfilled 40% of our 2025 forecast. We note that PVS usually record higher revenue and earnings in 2H25.

2Q25 gross profit was recorded at VND441bn, growing by a staggering 84% yoy. Of which, gross profit from M&C was boosted to VND170bn (3.7x its 2-year quarterly average of around VND46bn) which we attributed to higher profit recognition when PVS successfully handed over all 33 OWF jacket foundations to its customer Orsted in June. Gross margin (GPM) was at a decent level of 6% (+1.7%p yoy), mainly thanks to the robust GPM of M&C: 3.5% (+4.6%p yoy).

Earnings from FSO/FPSO affiliates flattened yoy at VND230 (in line with KIS forecast). Notably, financial revenue surged by 60% yoy to VND223bn, mainly thanks to a high FX gain (+187% yoy). This helped offset the negative effect of SG&A that rose 26% yoy, to VND419bn that was primarily due to a VND102bn provision for doubtful receivables in 2Q25.

As a result, 2Q25 NPAT rose by 53% yoy, to VND319bn (+7% qoq, fulfilling 110% of our 2Q25 forecast. 6M25 NPAT totalled VND619bn, completed 44% of our 2025 forecast.

### Pros & cons: Block B – O Mon will keep rolling

In 3Q25F, we project PVS's revenue to post strong double-digit growth (25-50% yoy), supported by a sizable backlog from Block B that was granted full LOA (vs 3Q24: limited LOA until Sept). Accordingly, we anticipate a strong NPAT growth rate of 50-100% yoy.

The Block B project is progressing at a decent pace recently. PVS, together with its partner Yinson officially won the bid and became the FSO provider for Block B, that is in-line with our previous expectation. Regarding the packages that PVS is implementing, as of Jun, EPCI#1 reached 25.36%, EPCI#2 reached 55.29% and EPCI#3 completed 27% of workload as of May.

Besides, Phu Quoc POC also finalized the contractor for the offshore pipeline: a consortium of Vietsovpetro, PT Timas Suplindo, and TOS.

12M rating **BUY (Maintain)**

12M TP **VND45,800**

Up/Downside +33%

#### Stock Data

VNIndex (01 Aug, pt)	1,495
Stock price (01 Aug, VND)	34,500
Market cap (USD mn)	629
Shares outstanding (mn)	478
52-Week high/low (VND)	41,221/21,400
6M avg. daily turnover (USD mn)	6.37
Free float / Foreign ownership (%)	41/12.5

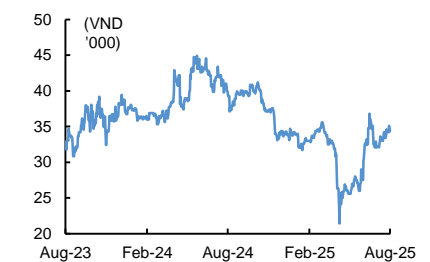
#### Major shareholders (%)

Petro Vietnam	51.38
Vietnam Investment Property Holdings	2.4
Norges Bank	1.8
Vietnam Enterprise Investments Limited	1.11
Saigon Investments Ltd	1.11
Amershan Ind Ltd	1.11
Eaton Vance Corp	1.07

#### Performance

	1M	6M	12M
Absolute	7.5	4.5	(12.1)
Relative	(1.1)	(14.7)	(36.2)

#### Stock price trend



Source: Bloomberg

## Action: maintaining BUY with the TP of VND45,800

We maintain a BUY rating (TP: VND45,800; +33% upside) for PVS stock for mid and long-term investment strategies, citing (1) full LOA granted to PVS for EPCI packages at Block B – O Mon and (2) PVS to secured the Block B FSO and Golden Camel FSO that will bring sustainable long-term cashflows. The downside risks could involve short-term declines of global oil prices, affecting PVS's sentiment.

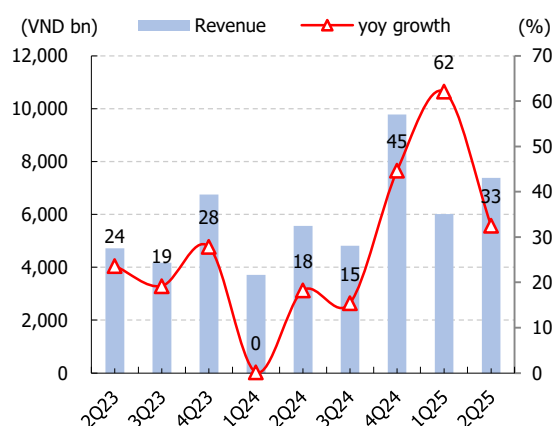
**Table 1. Quarterly earnings snapshot**

(VND bn, %, %p)

	2Q24	3Q24	4Q24	1Q25	2Q25	QoQ	YoY
Sales	5,571	4,820	9,777	6,014	7,383	22.8	32.5
OP	-92	88	-146	-138	22	N/A	N/A
OP margin	-1.6	1.8	-1.5	-2.3	0.3	2.6	1.9
PBT	282	209	841	384	453	17.9	60.5
NPAT	209	193	705	300	319	6.6	52.6

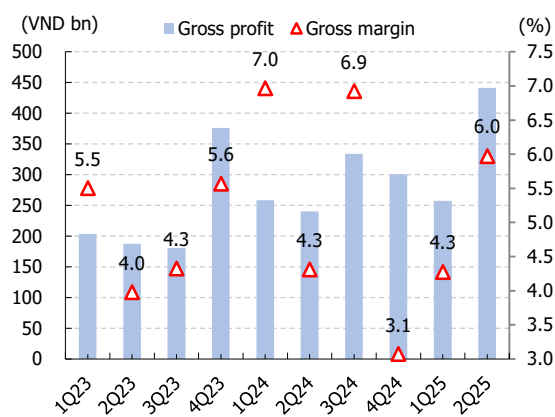
Source: FiinproX, KIS Research

**Figure 1. 2Q25 revenue grew 33% yoy**



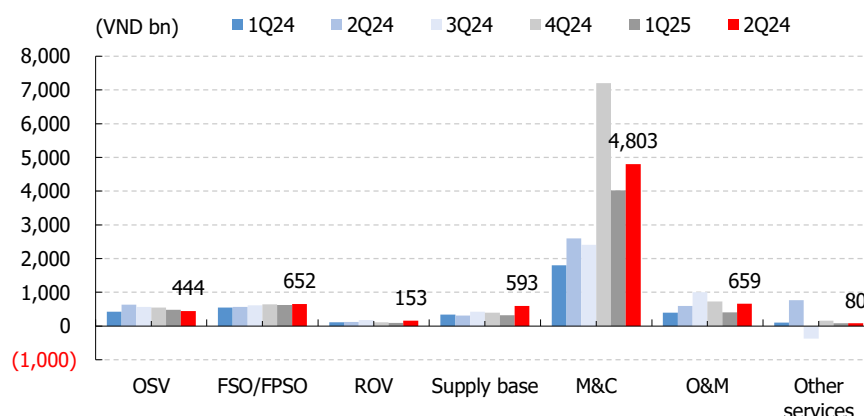
Source: FiinproX, KIS Research

**Figure 2. 2Q25 gross profit grew yoy, with GPM expanded by 1.7%p yoy**

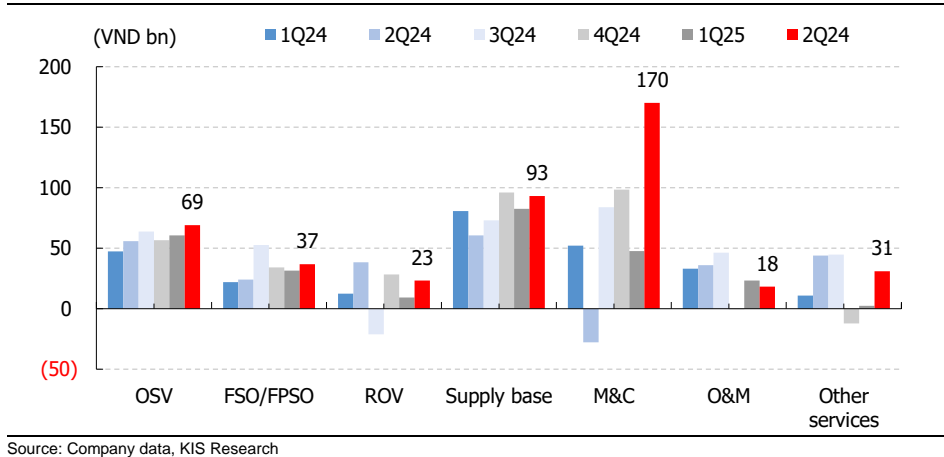
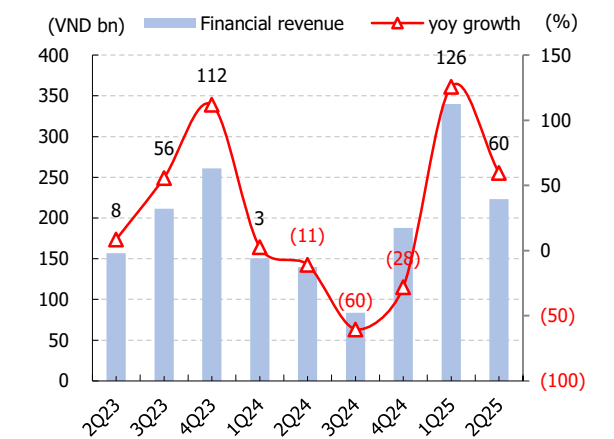
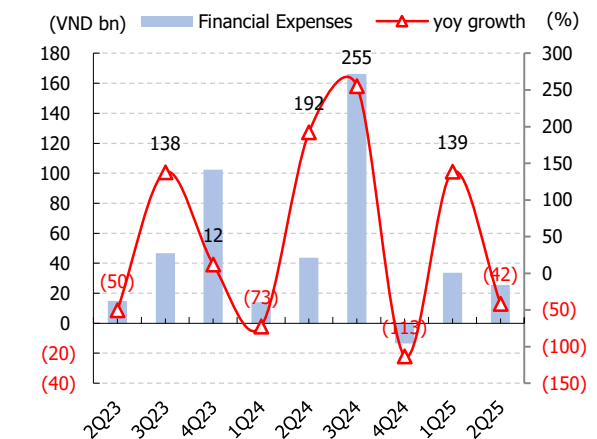
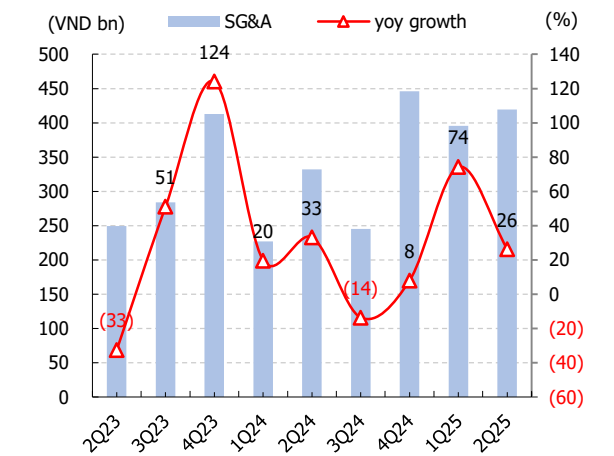
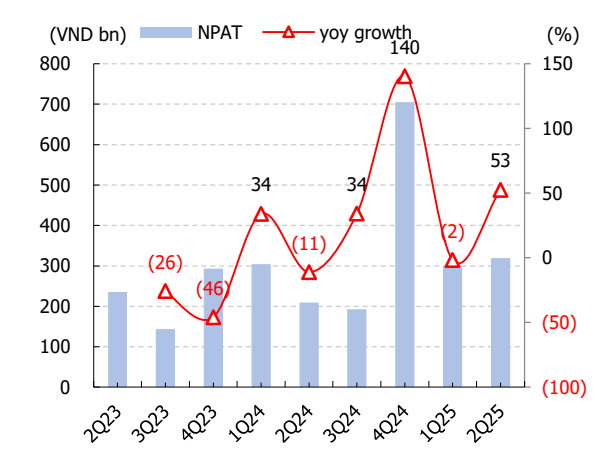


Source: FiinproX, KIS Research

**Figure 3. 2Q25 revenue was driven by blooming M&C segment**



Source: Company data, KIS Research

**Figure 4. M&C contributed the most GP in 2Q25**

**Figure 5. Financial income surged 60% thanks to higher FX gain**

**Figure 6. Financial expenses was kept at low level**

**Figure 7. SG&A grew 26% yoy to VND419bn owing to doubtful receivable provision**

**Figure 8. 2Q25 NPAT grew by a solid 53% yoy**


**Balance sheet**

(VND bn)

FY-ending Dec.	2023A	2024	2025F	2026F	2027F
Current assets	16,290	23,880	22,671	22,259	19,281
Cash & cash equivalents	5,757	11,422	7,857	7,661	6,244
Accounts & other receivables	4,185	6,148	8,504	8,287	6,727
Inventory	1,470	1,924	1,924	1,924	1,924
Non-current assets	10,533	12,459	14,814	14,598	13,037
Fixed assets	3,391	3,588	3,483	3,329	3,111
Investment assets	4,945	4,722	4,722	4,722	4,722
Others	1,790	1,884	1,927	1,970	2,012
Total assets	26,416	34,074	32,804	32,280	29,127
Advances from customers	252	346	494	482	393
Unearned revenue	10	166	50	50	50
Trade payables	3,513	4,655	5,124	4,996	4,072
Others	4,109	7,630	4,096	4,096	4,096
ST debt & due bonds	1,176	869	684	554	383
LT debt & bonds	564	790	730	670	611
Total liabilities	12,872	19,184	17,864	17,373	14,955
Controlling interest	12,834	13,325	14,157	14,979	15,772
Capital stock	4,780	4,780	4,780	4,780	4,780
Capital surplus	40	40	40	40	40
Other reserves	3,967	4,311	4,311	4,311	4,311
Retained earnings	4,048	4,194	5,026	5,848	6,642
Minority interest	710	1,566	1,611	1,655	1,699
Shareholders' equity	13,544	14,890	15,768	16,634	17,471

**Cash flow**

(VND bn)

FY-ending Dec.	2023A	2024	2025F	2026F	2027F
C/F from operations	(285)	4,288	(1,832)	1,563	1,047
Net profit	1,277	1,700	1,812	1,796	1,751
Dep'n & Amort'n	493	601	657	669	717
Net incr. in W/C	880	1,873	1,886	1,930	1,951
C/F from investing	818	1,109	(70)	(117)	(123)
Capex	(894)	(839)	(635)	(628)	(610)
Incr. in investment	1,712	1,948	565	511	487
C/F from financing	(32)	198	(580)	(524)	(565)
Incr. in equity	-	-	-	-	-
Incr. in debt	345	577	(185)	(130)	(171)
Dividends	(378)	(379)	(335)	(335)	(335)
C/F from others	37	69	-	-	-
Increase in cash	538	5,664	(2,482)	921	359

**Income statement**

(VND bn)

FY-ending Dec.	2023A	2024	2025F	2026F	2027F
Sales	19,374	23,878	34,159	33,309	27,147
COGS	18,335	22,745	32,753	31,875	25,915
Gross profit	1,039	1,133	1,406	1,433	1,232
SG&A expenses	1,052	1,250	1,028	1,025	1,000
Operating profit	(13)	(117)	378	409	232
Financial income	790	562	712	657	634
Interest income	464	242	392	338	314
Financial expenses	216	210	218	213	207
Interest expenses	73	64	72	66	61
Other non-operating profit	66	603	90	90	90
Gains (Losses) in associates, subsidiaries and JV	651	863	850	852	1,002
Earnings before tax	1,277	1,700	1,812	1,796	1,751
Income taxes	217	288	308	305	298
Net profit	1,060	1,412	1,504	1,490	1,454
Net profit of controlling interest	1,026	1,182	1,459	1,446	1,410
EBITDA	1,843	2,365	2,541	2,531	2,528

**Key financial data**

FY-ending Dec.	2023A	2024	2025F	2026F	2027F
Per-share data (VND, adj.)					
EPS	2,148	2,473	3,052	3,024	2,950
BPS	26,852	27,878	29,619	31,339	32,999
DPS	-	-	700	700	700
Growth (%)					
Sales growth	18.4	23.3	43.1	(2.5)	(18.5)
OP growth	(112.4)	787.3	(422.1)	8.0	(43.2)
NP growth	0.9	33.2	6.5	(0.9)	(2.5)
EPS growth	3.7	15.1	23.4	(0.9)	(2.5)
EBITDA growth	(112.4)	787.3	(422.1)	8.0	(43.2)
Profitability (%)					
OP margin	(0.1)	(0.5)	1.1	1.2	0.9
NP margin	5.5	5.9	4.4	4.5	5.4
EBITDA margin	(0.1)	(0.5)	1.1	1.2	0.9
ROA	4.1	4.7	4.5	4.6	4.7
ROE	8.2	9.0	10.6	9.9	9.2
Dividend yield	2.3	2.3	2.3	2.3	2.3
Dividend payout ratio	32	24	22	22	23
Stability					
Net debt (VND bn)	(4,017)	(9,762)	(6,443)	(6,436)	(5,250)
Net debt/equity (%)	(30)	(66)	(41)	(39)	(30)
Valuation (x)					
PE	13.9	10.5	9.8	9.9	10.2
PB	1.1	1.1	1.0	1.0	0.9
EV/EBITDA	(1,115.1)	(125.7)	39.0	36.1	63.6

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